

Annual Internal Audit Report 2017/18

SWALLOWCLIFFE PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

K. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

26/04/18

Name of person who carried out the internal audit

NIKOLA DUKE INTERNAL AUDITOR

Signature of person who carried out the internal audit

Nikola Duke

Date

26/04/18

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

6 Shetland Close

Westbury

Wiltshire

BA13 2GN

Swallowcliffe Parish Council

11 Heathfields Way

Shaftesbury

Dorset

SP7 9JZ

Dear Mr Pritchard

Internal Audit Service 2017/2018

I confirm that I have carried out the internal audit for Swallowcliffe Parish Council for the financial year 2017/2018. A copy of the Internal Audit service checklist is attached.

The Parish Council has maintained an effective system of internal control during the year and the accounts are maintained on an accurate and timely basis. I would recommend the addition of an income spreadsheet so that the receipt of the precept can be included in the cashbook.

The governance arrangements are appropriate and meet the required standards. I note that the Risk Assessments are due to be reviewed and adopted at the AGM in May 2018 and I would encourage the Council to ensure this review is carried out.

Overall, the parish council's finances and governance are administered to a good standard and the minutes of meetings are of a particularly high standard.

Kind regards



Nicola Duke B.A (Hons), PSLCC

INTERNAL AUDIT SERVICE FOR SWALLOWCLIFFE PARISH COUNCIL

I certify that I have carried out the tests detailed below. Where an entry has been made in column 4 the supporting Working Papers are attached.

Signed..... Moira Date 26 April 2018

1 Internal Control	2 Tests	3 Initial if Yes	4 W/P Reference	5 Comments
Previous Internal Audit Report	Do the minutes record that Council has considered the Internal Audit Report for the previous year and the matters arising addressed?	ya	DUG 26	Asset List May 2017 RIA to AGM O/S
Proper bookkeeping	Is the cashbook maintained and up to date?	ya	CB	
	Is the cashbook arithmetically correct?	ya	CB	
Standing Orders and Financial Regulations	Are payments in the cashbook supported by invoices and have they been authorised and minuted?	ya	Invoice files	loyal phone invoice
	Has VAT on payments been identified, recorded and reclaimed?	ya	CB	0.60p
Risk Management Arrangements	Does a scan of the minutes identify any unusual activity?	ya	MUS	Mr Porel → committee

1 Internal Control	2 Tests	3 Initial if Yes	4 W/P Reference	5 Comments
Risk Management Arrangements (contd)	Do the minutes record the Council carrying out an annual risk assessment?	ya	DUG 26	O/S - clerk to AGM
	Is insurance cover appropriate and adequate?	ya	Ins PP	
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?	ya	Bud- get	
	Are there any significant unexplained	ya		explained

	variances from budget?			
Income Controls	Does the precept recorded in the cashbook agree to the District Council's notification?	ya		Matters - need to add income <i>bol</i>
Payroll Controls	Do salaries paid agree with those approved by Council?	ya		Pay slip + P60?
	Are other payments to the Clerk reasonable and approved by Council?	ya		Yes - all OK

1 Internal Control	2 Tests	3 Initial if Yes	4 W/P Reference	5 Comments
Assets Controls	Does the Council keep an Assets Register of all material assets owned?	ya		Adopted May 2017
	Is the Register up to date?	ya		↑ as above.
Bank Reconciliation	Is there a bank reconciliation for each bank account?	ya		Agenda file
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis?	ya		Cashbook
	Do accounts agree with the cashbook?	ya		Cashbook